

# NEWS RELEASE

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## Signing event represents future of alternative aviation fuels

**Ft. Belvoir, Va.** – The Defense Logistics Agency’s Defense Energy Support Center and Air Transport Association of America, Inc., signed a strategic alliance agreement today in Washington, D.C., recognizing a partnership for the development and deployment of alternative aviation fuels. The agreement highlights the shared goals of the Department of Defense and the principal U.S. airlines to advance the development and deployment of commercially viable, environmentally friendly, alternative aviation fuels.

“This is a significant step forward in the alternative fuels arena, and further shows commitment by the Department of Defense and the commercial aviation industry in our mutual goal of promoting energy security and safeguarding the health of our environment,” DESC Commander Rear Adm. Kurt Kunkel said.

The intent of the strategic alliance is to establish a collaborative forum focused on spurring aviation alternative fuels market growth.

“By collaborating, we reinforce our commitment to fostering the widespread commercialization of alternative jet fuel,” said James C. May, president and CEO of ATA. “In the evolving landscape of alternative energy, it is in our collective interest to see aviation at the forefront.

“The airline industry and DoD collectively require more than 1.5 million barrels of jet fuel per day,” added May. “By combining our talents and experience, we are better positioned to explore cooperative market engagement for fuel, improve the financial prospects for alternative fuels infrastructure, accelerate fuel certification efforts and refine our methodology for determining environmental impacts.”

Kunkel noted that energy security impacts all DoD readiness, operations and business decisions. The DESC, along with the Federal Government and the rest of DoD, is transforming with regard to alternative fuel and renewable energy.

“Doing what is right for our armed forces is an ingrained piece of our mission at the Defense Logistics Agency and DESC. It drives us forward. Doing what is right also means doing what is efficient and in the best interest of our environment, while continuing to move forward with technology and energy advancements,” Kunkel said. “The strategic alliance represents this commitment.”

The alliance directs the formation of three collaborative teams composed of ATA and DESC representatives, with each team focused on specific developmental and marketing models of the alternative fuels goals.

May said that the Environment Team will identify common methodologies for life cycle assessment of greenhouse gas emissions for alternative aviation fuels. The Deployment and Logistics team will identify locations or regions suitable for alternative fuels production and deployment, as well as means of distribution to and from those locations. The Contracting and Finance team will jointly publicize supply opportunities, explore opportunities for complementary fuel-supply agreements and develop compatible pricing and finance mechanisms.

Already, the alliance teams are scheduled to participate in a special aviation session at the Advanced Biofuels Leadership Conference, Apr. 27-29 in Washington, D.C. They will also hold an industry forum at the 2010 DESC Worldwide Energy Conference where they will meet jointly with alternative fuel suppliers to discuss an array of projects across the country to deploy alternative aviation fuels. The Worldwide Conference is scheduled for May 10-12 in National Harbor, Md. Working together in the area of alternative fuels is not new between DESC and ATA.

May added, “today’s announcement is a key step forward in a long-standing relationship of collaboration between our nation’s airlines and the military, and this alliance will generate tangible, long-lasting benefits for the entire country.”

Through the combined efforts of the Commercial Aviation Alternative Fuels Initiatives, a working group composed of ATA and DESC, fuels produced using the Fischer-Tropsch process were approved for use in commercial aviation in September. Additionally, approval of a new class of fuels – hydrotreated renewable jet – is expected in the second half of 2010.

“Development of alternative fuels as an energy solution to our customers and the commercial aviation industry is still in the initial stages, but actions such as this alliance will make those potential solutions a reality as we work together and leverage our capabilities,” said Kunkel. “We have outstanding, committed goals for alternative fuel and renewable energy in the future, but reaching our goals is a team and collaborative effort – no one can do it alone. This strategic alliance is creating one of those teams and we are happy to be part of it.”

The DESC, a field activity of the Defense Logistics Agency, is responsible for the end-to-end supply chain management of petroleum products for the Department of Defense’s customer base. The center’s mission is to provide energy solutions worldwide in the most effective and economical manner possible.

ATA is the premier trade association for the principal U.S. airlines. The association serves the airline industry and its customers in providing the world’s safest system of transportation, communicating technical expertise and operational knowledge to improve safety, service and efficiency; advocating fair airline taxation and regulation worldwide to foster a healthy, competitive industry; and by developing and coordinating industry actions that are environmentally beneficial, economically reasonable and technologically feasible.



Defense Energy Support Center Commander Rear Adm. Kurt Kunkel and Air Transport Association of America President and CEO Jim May sign a Strategic Alliance for Alternative Aviation Fuels agreement at the ATA headquarters today in Washington, D.C. The strategic alliance brings together the shared goals of the Department of Defense and the principal U.S. airlines to advance the development and deployment of alternative aviation fuels.